

**Department of Workforce Development
Fiscal Monitoring Guide
Monitoring of Subcontracts**

The W-2 contract for 2006-2009 (sections 14.9 and 14.10) requires W-2 agencies to monitor subcontractors, including on-site visits of subcontractors.

Audit Procedure	Date and Initials	Workpaper Ref.
1. Obtain a list of the agency's subcontracts related to their W-2 contract and verify that all subcontracts have been submitted to the regional office for review and approval.		
2. Review the audit reports for the agency's top three annual dollar volume subcontracts or any contracts that are equal to or above 20% of the W-2 agency's annual contract (whichever is greater) for going concern or other major issues. If such issues/concerns exist, please provide a copy of the report (or applicable sections) to DWD.		
3. Verify that the provider has completed on-site visits of subcontractors per the requirements of their W-2 contract. For the first year of this contract, review the subcontract monitoring plan included in the RFP or with the agency's Right of First Selection and determine if the provider is following their plan to this point if they have not yet completed site visits during the first year of the contract.		
4. Verify the agency is obtaining, reviewing, and resolving subcontractor audits as required by this contract and previous W-2 contracts.		